

AMENDED IN SENATE AUGUST 29, 2008

AMENDED IN SENATE AUGUST 27, 2007

AMENDED IN ASSEMBLY JUNE 1, 2007

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

ASSEMBLY BILL

No. 1452

Introduced by Assembly Member Wolk Committee on Budget

February 23, 2007

~~An act relating to fish and wildlife, and making an appropriation therefor. An act to amend Section 6248 of, to add Sections 6051.7, 6201.7, 17276.9, 17276.10, 19137, 24416.9, and 24416.10 to, and to add Chapter 9.2 (commencing with Section 19740) to Part 10.2 of Division 2 of, the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 1452, as amended, ~~Wolk Committee on Budget. Wildlife management areas; payments. Taxation.~~

(1) Existing law imposes a state sales and use tax on retailers and on the storage, use, or other consumption of tangible personal property in this state at the rate of 6 $\frac{1}{4}$ % of the gross receipts from the retail sale of tangible personal property in this state and of the sales price of tangible personal property purchased from any retailer for storage, use, or other consumption in this state.

This bill would provide that the state sales and use tax rate on the sale of, and on the storage, use, or other consumption of, tangible personal property other than diesel fuel or gasoline, as specified, would increase 1% to a rate of 7 $\frac{1}{4}$ % from the first day of the first calendar

month following the effective date of the bill, to and including December 31, 2011.

(2) *The Sales and Use Tax Law imposes a tax on the storage, use, or other consumption in this state of tangible personal property. Under existing law, there is a presumption that a vehicle shipped or brought into this state within 90 days from the date of its purchase was purchased from a retailer for storage, use, or other consumption in this state, under specified circumstances.*

This bill would expand this presumption to a vehicle, vessel, or aircraft brought into California within 12 months from the date of its purchase, if that vehicle, vessel, or aircraft is (A) purchased by a California resident, (B) subject to California's registration or property tax laws during the first 12 months of ownership, or (C) used or stored in this state more than $\frac{1}{2}$ of the time during the first 12 months of ownership. This bill would provide that the presumption may be controverted by documentary evidence, as specified. This bill would also provide that the presumption does not apply to aircraft or vessels brought into this state, on or after the effective date of this act, for the purpose of repair, retrofit, or modification.

(3) *Existing law allows individual and corporate taxpayers to utilize net operating losses and carryovers of those losses for purposes of offsetting their individual and corporate tax liabilities.*

This bill would disallow the deduction for net operating losses and net operating loss carryovers in the 2008 and 2009 taxable years. This bill would extend the carryover period for those net operating losses, thus allowing the taxpayers to have the same number of years to utilize the deduction as they would have if the change had not been enacted. This bill would, for net operating losses incurred in taxable years beginning on or after January 1, 2010, extend the carryover period to 20 years.

(4) *Existing law imposes personal income and corporate taxes collected and administered by the Franchise Tax Board.*

This bill would require the Franchise Tax Board to administer a tax amnesty program during the period beginning February 1, 2009, and ending on March 27, 2009, inclusive, as provided.

(5) *This bill would declare that it is to take effect immediately as an urgency statute.*

~~Existing law requires the Department of Fish and Game, when income is derived directly from real property acquired and operated by the state as wildlife management areas, as defined, to pay annually to the county~~

~~in which the property is located an amount equal to the county taxes levied upon the property at the time title to the property was transferred to the state, and any assessments levied upon the property by any irrigation, drainage, or reclamation district.~~

~~This bill would appropriate \$7,415,000 from the General Fund to the department to make payments to counties for outstanding obligations under these provisions.~~

Vote: $\frac{2}{3}$. Appropriation: ~~yes~~-no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 6051.7 is added to the Revenue and
2 Taxation Code, to read:
3 6051.7. (a) In addition to the taxes imposed by Section 6051
4 and any other provision of this part, for the privilege of selling
5 tangible personal property at retail, a tax is hereby imposed upon
6 all retailers at the rate of 1 percent of the gross receipts of any
7 retailer from the sale of all tangible personal property, other than
8 the sale of diesel fuel as defined in Section 60022 and the sale of
9 motor vehicle fuel as defined in Section 7326, sold at retail in this
10 state, on and after the first day of the first calendar month following
11 the effective date of this section.
12 (b) For purposes of this section, “motor vehicle fuel” shall not
13 include aviation gasoline, as defined in Section 7306.
14 (c) This section shall remain in effect through and including
15 December 31, 2011.
16 SEC. 2. Section 6201.7 is added to the Revenue and Taxation
17 Code, to read:
18 6201.7. (a) In addition to the taxes imposed by Section 6201
19 and any other provision of this part, an excise tax is hereby
20 imposed on the storage, use, or other consumption in this state of
21 tangible personal property, other than diesel fuel as defined in
22 Section 60022 and motor vehicle fuel as defined in Section 7326,
23 purchased from any retailer for storage, use, or other consumption
24 in this state, at the rate of 1 percent of the sales price of the
25 property, on and after the first day of the first calendar month
26 following the effective date of this section.
27 (b) For purposes of this section, “motor vehicle fuel” shall not
28 include aviation gasoline, as defined in Section 7306.

1 (c) *This section shall remain in effect through and including*
2 *December 31, 2011.*

3 *SEC. 3. Section 6248 of the Revenue and Taxation Code is*
4 *amended to read:*

5 6248. (a) ~~On and after July 1, 2007 the effective date of this~~
6 *section, there shall be a rebuttable presumption that any vehicle,*
7 *vessel, or aircraft bought outside of this state, and which is brought*
8 *into California within 90 days 12 months from the date of its*
9 *purchase, and which is subject to registration under Chapter 1*
10 ~~*(commencing with Section 4000) of Division 3 of the Vehicle*~~
11 ~~*Code, was acquired for storage, use, or other consumption in this*~~
12 ~~*state. state and is subject to use tax if any of the following occurs:*~~

13 ~~*(1) The vehicle, vessel, or aircraft was purchased by a California*~~
14 ~~*resident as defined in Section 516 of the Vehicle Code.*~~

15 ~~*(2) In the case of a vehicle, the vehicle was subject to*~~
16 ~~*registration under Chapter 1 (commencing with Section 4000) of*~~
17 ~~*Division 3 of the Vehicle Code during the first 12 months of*~~
18 ~~*ownership.*~~

19 ~~*(3) In the case of a vessel or aircraft, that vessel or aircraft was*~~
20 ~~*subject to property tax in this state during the first 12 months of*~~
21 ~~*ownership.*~~

22 ~~*(4) The vehicle, vessel, or aircraft is used or stored in this state*~~
23 ~~*more than one-half of the time during the first 12 months of*~~
24 ~~*ownership.*~~

25 ~~*(b) This section shall become operative on July 1, 2007*~~
26 ~~*presumption may be controverted by documentary evidence that*~~
27 ~~*the vehicle, vessel, or aircraft was purchased for use outside of*~~
28 ~~*this state during the first 12 months of ownership. This evidence*~~
29 ~~*may include, but is not limited to, evidence of registration of that*~~
30 ~~*vehicle, vessel, or aircraft, with the proper authority, outside of*~~
31 ~~*this state.*~~

32 ~~*(c) This section shall not apply to any vehicle, vessel, or aircraft*~~
33 ~~*used in interstate or foreign commerce pursuant to regulations*~~
34 ~~*prescribed by the board.*~~

35 ~~*(d) The amendments made to this section by the act adding this*~~
36 ~~*subdivision shall not apply to any vehicle, vessel, or aircraft that*~~
37 ~~*is either purchased, or is the subject of a binding purchase contract*~~
38 ~~*that is entered into, on or before the operative date of this*~~
39 ~~*subdivision.*~~

1 (e) (1) Notwithstanding subdivision (a), any aircraft or vessel
2 brought into this state for the purpose of repair, retrofit, or
3 modification shall not be deemed to be acquired for storage, use,
4 or other consumption in this state.

5 (2) This subdivision shall not apply if, during the period
6 following the time the aircraft or vessel is brought into this state
7 and ending when the repair, retrofit, or modification of the aircraft
8 or vessel is complete, more than 25 hours of airtime in the case of
9 an airplane or 25 hours of sailing time in the case of a vessel is
10 logged on the aircraft or vessel by the registered owner of that
11 aircraft or vessel or by an authorized agent operating the aircraft
12 or vessel on behalf of the registered owner of the aircraft or vessel.
13 The calculation of airtime or sailing time logged on the aircraft
14 or vessel shall not include airtime or sailing time following the
15 completion of the repair, retrofit, or modification of the aircraft
16 or vessel that is logged for the sole purpose of returning or
17 delivering the aircraft or vessel to a point outside of this state.

18 (3) This subdivision shall apply to aircraft or vessels brought
19 into this state for the purpose of repair, retrofit, or modification
20 on or after the operative date of this subdivision.

21 (f) The presumption set forth in subdivision (a) may be
22 controverted by documentary evidence that the vehicle was brought
23 into this state for the exclusive purpose of warranty or repair
24 service and was used or stored in this state for that purpose for
25 30 days or less. The 30-day period begins when the vehicle enters
26 this state, includes any time of travel to and from the warranty or
27 repair facility, and ends when the vehicle is returned to a point
28 outside the state. The documentary evidence shall include a work
29 order stating the dates that the vehicle is in the possession of the
30 warranty or repair facility and a statement by the owner of the
31 vehicle specifying dates of travel to and from the warranty or
32 repair facility.

33 SEC. 4. Section 17276.9 is added to the Revenue and Taxation
34 Code, to read:

35 17276.9. (a) Notwithstanding Sections 17276, 17276.1,
36 17276.2, 17276.4, 17276.5, 17276.6, and 17276.7 of this code and
37 Section 172 of the Internal Revenue Code, no net operating loss
38 deduction shall be allowed for any taxable year beginning on or
39 after January 1, 2008, and before January 1, 2010.

1 (b) For any net operating loss or carryover of a net operating
2 loss for which a deduction is denied by subdivision (a), the
3 carryover period under Section 172 of the Internal Revenue Code
4 shall be extended as follows:

5 (1) By one year, for losses incurred in taxable years beginning
6 on or after January 1, 2008, and before January 1, 2009.

7 (2) By two years, for losses incurred in taxable years beginning
8 before January 1, 2008.

9 SEC. 5. Section 17276.10 is added to the Revenue and Taxation
10 Code, to read:

11 17276.10. Notwithstanding Sections 17276, 17276.1, 17276.2,
12 17276.4, 17276.5, 17276.6, and 17276.7 of this code and Section
13 172 of the Internal Revenue Code, any net operating loss
14 attributable to taxable years beginning on or after January 1,
15 2010, shall be a net operating loss carryover to each of the 20
16 taxable years following the year of the loss.

17 SEC. 6. Section 19137 is added to the Revenue and Taxation
18 Code, to read:

19 19137. (a) There shall be added to the tax for amounts in each
20 taxable year for which amnesty could have been requested a
21 penalty in an amount determined as follows:

22 (1) For amounts that are due and payable (as provided in
23 subdivision (f)) on the last day of the tax amnesty period, an
24 amount equal to 50 percent of the accrued interest payable under
25 Section 19101 for the period beginning on the last date prescribed
26 by law for the payment of that tax (determined without regard to
27 extensions) and ending on the last day of the tax amnesty period
28 specified in Section 19741.

29 (2) For amounts that become due and payable (as provided in
30 subdivision (f)) after the last date of the tax amnesty period, an
31 amount equal to 50 percent of the interest computed under Section
32 19101 on any final amount, including final deficiencies and
33 self-assessed amounts, for the period beginning on the last date
34 prescribed by law for the payment of the tax for the year of the
35 deficiency (determined without regard to extensions) and ending
36 on the last day of the tax amnesty period specified in Section 19741.
37 In computing the final amount upon which the penalty is computed,
38 deposits made before the end of the tax amnesty period pursuant
39 to Section 19041.5 shall reduce the amount upon which the penalty
40 is computed. Payments or deposits made after the end of the tax

1 *amnesty period shall not reduce the amount upon which the penalty*
2 *is computed.*

3 *(3) For purposes of paragraph (2), Sections 19107, 19108,*
4 *19110, and 19113 shall apply in determining the amount computed*
5 *under Section 19101.*

6 *(b) The penalty imposed by this section is in addition to any*
7 *other penalty imposed under Part 10 (commencing with Section*
8 *17001), Part 11 (commencing with Section 23001), or this part.*

9 *(c) (1) This section shall not apply to any amounts that are*
10 *treated as paid during the tax amnesty period under paragraph*
11 *(1) or (2) of subdivision (b) of Section 19743.*

12 *(2) This section shall not apply to any amount attributable to*
13 *an assessment resulting from either of the following:*

14 *(A) An examination, within the meaning of Section 19032, where*
15 *the Franchise Tax Board first contacted the taxpayer in writing*
16 *in connection with that examination before March 27, 2009, and*
17 *that assessment was not final before March 27, 2009.*

18 *(B) A proposed assessment under Section 19087 where the*
19 *Franchise Tax Board first contacted the taxpayer in writing in*
20 *connection with failing to file a return before March 27, 2009,*
21 *and that assessment was not final before March 27, 2009.*

22 *(d) Article 3 (commencing with Section 19031), relating to*
23 *deficiency assessments, shall not apply with respect to the*
24 *assessment or collection of any penalty imposed by subdivision*
25 *(a) or the determination of when an amount is considered due and*
26 *payable.*

27 *(e) A refund or credit for any amounts paid to satisfy a penalty*
28 *imposed under this section may be allowed only on the grounds*
29 *that the amount of the penalty was not properly computed by the*
30 *Franchise Tax Board.*

31 *(f) For purposes of this section, amounts are due and payable*
32 *on the following dates:*

33 *(1) For amounts of any liability disclosed on a return filed on*
34 *or before the date payment is due (with regard to any extension*
35 *of time to pay), the date the amount is established on the records*
36 *of the Franchise Tax Board, except that in no case shall it be prior*
37 *to the day after the payment due date.*

38 *(2) For amounts of any liability disclosed on a return filed after*
39 *the date payment is due (with regard to any extension of time to*

1 pay), the date the amount is established on the records of the
2 Franchise Tax Board.

3 (3) For amounts of any liability determined under Section 19081
4 or 19082 (pertaining to jeopardy assessments), the date the notice
5 of the Franchise Tax Board's finding is mailed or issued.

6 (4) For all other amounts of liability, the date the assessment
7 is final.

8 (g) Section 19049 shall apply to final assessments within the
9 meaning of paragraph (4) of subdivision (f).

10 SEC. 7. Chapter 9.2 (commencing with Section 19740) is added
11 to Part 10.2 of Division 2 of the Revenue and Taxation Code, to
12 read:

13
14 *CHAPTER 9.2. TAX AMNESTY 2009*

15
16 19740. The Franchise Tax Board shall administer a tax amnesty
17 for taxpayers subject to Part 10 (commencing with Section 17001)
18 and Part 11 (commencing with Section 23001), as provided in this
19 chapter.

20 19741. The tax amnesty shall be conducted during the period
21 beginning February 1, 2009, and ending March 27, 2009, inclusive,
22 pursuant to Section 19743. The tax amnesty shall apply to tax
23 liabilities for taxable years beginning on or after January 1, 2003,
24 and before January 1, 2007.

25 19742. (a) For any taxpayer who meets each of the
26 requirements of Section 19743, both of the following shall apply:

27 (1) The Franchise Tax Board shall waive all unpaid penalties
28 and fees imposed by this part for each taxable year for which tax
29 amnesty is allowed, but only to the extent of the amount of any
30 penalty or fee that is owed as a result of previous nonreporting or
31 underreporting of tax liabilities or prior nonpayment of any taxes
32 previously assessed or proposed to be assessed for that taxable
33 year.

34 (2) Except as provided in subdivision (b), no criminal action
35 shall be brought against the taxpayer for the taxable years for
36 which tax amnesty is allowed for the nonreporting or
37 underreporting of tax liabilities or the nonpayment of any taxes
38 previously assessed or proposed to be assessed.

39 (b) This chapter shall not apply to violations of this part for
40 which, as of February 1, 2009, any of the following apply:

1 (1) A criminal complaint was filed against the taxpayer.

2 (2) The taxpayer is under criminal investigation.

3 (c) This chapter shall not apply to any nonreported or
4 underreported tax liability amounts attributable to a potentially
5 abusive tax avoidance transaction. For purposes of this chapter,
6 a “potentially abusive tax avoidance transaction” means any of
7 the following:

8 (1) A tax shelter as defined in Section 6662(d)(2)(C) of the
9 Internal Revenue Code. For purposes of this chapter, Section
10 6662(d)(2)(C) of the Internal Revenue Code is modified by
11 substituting the phrase “income or franchise tax” for “Federal
12 income tax.”

13 (2) A reportable transaction, as defined in Section 6707A(c)(1)
14 of the Internal Revenue Code, with respect to which the
15 requirements of Section 6664(d)(2)(A) of the Internal Revenue
16 Code are not met.

17 (3) A listed transaction, as defined in Section 6707A(c)(2) of
18 the Internal Revenue Code.

19 (4) Any entity, investment plan or arrangement, or other plan
20 or arrangement which is of a type that the Secretary of the
21 Treasury, Internal Revenue Service, or the Franchise Tax Board
22 determines by regulations, notices, coordinated issue papers, or
23 other official public notification as having a potential for tax
24 avoidance or evasion.

25 (5) A gross misstatement, within the meaning of Section
26 6404(g)(2)(D) of the Internal Revenue Code.

27 (6) Any transaction to which Section 19774 applies.

28 (d) No refund or credit shall be allowed with respect to any
29 penalty or fee paid with respect to a taxable year prior to the time
30 the taxpayer makes a request for tax amnesty for that taxable year
31 pursuant to Section 19743.

32 (e) Notwithstanding Chapter 6 (commencing with Section
33 19301), no claim for refund or credit for any amounts paid in
34 connection with the tax amnesty program under this chapter shall
35 be allowed.

36 19743. (a) This chapter shall apply to any taxpayer that
37 satisfies all of the following requirements:

38 (1) During the tax amnesty period specified in Section 19741,
39 is eligible to participate in the tax amnesty.

1 (2) During the tax amnesty period specified in Section 19741,
2 files a completed amnesty application with the Franchise Tax
3 Board electing to participate in the tax amnesty.

4 (3) By June 1, 2009, does the following:

5 (A) (i) For any taxable year eligible for the tax amnesty where
6 the taxpayer has not filed any required return, files a completed
7 original tax return for that year.

8 (ii) For any taxable year eligible for the tax amnesty where the
9 taxpayer filed a return but underreported tax liability on that
10 return, files an amended return for that year.

11 (B) Pays in full any taxes and interest due for each taxable year
12 described in clauses (i) and (ii) of subparagraph (A), as applicable,
13 for which amnesty is requested, or applies for an installment
14 payment agreement under subdivision (b). For taxpayers who have
15 not paid in full any taxes previously proposed to be assessed, pays
16 in full the taxes and interest due for that portion of the proposed
17 assessment for each taxable year for which amnesty is requested
18 or applies for an installment payment agreement under paragraph
19 (2) of subdivision (b).

20 (4) In the case of any taxpayer that has filed for bankruptcy
21 protection under Title 11 of the United States Code, submits an
22 order from a Federal Bankruptcy Court allowing the taxpayer to
23 participate in the tax amnesty.

24 (b) (1) For purposes of complying with the full payment
25 provisions of paragraph (3) of subdivision (a), if the full amount
26 due is paid within the period set forth in paragraph (3) of
27 subdivision (c) of Section 19101 after the date the Franchise Tax
28 Board mails a notice resulting from the filing of an amnesty
29 application or the full amount is paid by June 1, 2009, the full
30 amount due shall be treated as paid during the amnesty period.

31 (2) (A) For purposes of complying with the full payment
32 provisions of subparagraph (B) of paragraph (3) of subdivision
33 (a), the Franchise Tax Board may enter into an installment
34 payment agreement, but only if final payment under the terms of
35 that installment payment agreement is due and is paid no later
36 than June 30, 2010.

37 (B) Any installment payment agreement authorized by this
38 subdivision shall include interest on the outstanding amount due
39 at the rate prescribed in Section 19521.

1 (C) Failure by the taxpayer to comply fully with the terms of an
2 installment payment agreement under this subdivision shall render
3 the waiver of penalties and fees under Section 19742 null and void,
4 unless the Franchise Tax Board determines that the failure was
5 due to reasonable cause and not due to willful neglect.

6 (D) In the case of any failure described under subparagraph
7 (C), the total amount of tax, interest, fees, and all penalties shall
8 become immediately due and payable.

9 (c) (1) The application required under paragraph (2) of
10 subdivision (a) shall be in the form and manner specified by the
11 Franchise Tax Board, but in no case shall a mere payment of any
12 taxes and interest due, in whole or in part, for any taxable year
13 otherwise eligible for amnesty under this part be deemed to
14 constitute an acceptable amnesty application under this part. For
15 purposes of the prior sentence, the application of a refund from
16 one taxable year to offset a tax liability from another taxable year
17 otherwise eligible for amnesty shall not, without the filing of an
18 amnesty application, be deemed to constitute an acceptable
19 amnesty application under this part.

20 (2) The Legislature specifically intends that the Franchise Tax
21 Board, in administering the amnesty application requirement under
22 this part, make the amnesty application process as streamlined as
23 possible to ensure that participation in the tax amnesty be available
24 to as many taxpayers as possible without otherwise compromising
25 the Franchise Tax Board's ability to enforce and collect the taxes
26 imposed under Part 10 (commencing with Section 17001) and Part
27 11 (commencing with Section 23001).

28 (d) Upon the conclusion of the tax amnesty period, the Franchise
29 Tax Board may propose a deficiency upon any return filed pursuant
30 to subparagraph (A) of paragraph (3) of subdivision (a), impose
31 penalties and fees, or initiate criminal action under this part with
32 respect to the difference between the amount shown on that return
33 and the correct amount of tax. This action shall not invalidate any
34 waivers previously granted under Section 19742.

35 (e) All revenues derived pursuant to subdivision (c) shall be
36 subject to Sections 19602 and 19604.

37 19744. Notwithstanding any other provision of this chapter, if
38 any overpayment of tax shown on an original or amended return
39 filed under this article is refunded or credited within 180 days

1 *after the return is filed, no interest shall be allowed under Section*
2 *19340 on that overpayment.*

3 *19745. (a) The Franchise Tax Board may issue forms,*
4 *instructions, notices, rules, or guidelines, and take any other*
5 *necessary actions, needed to implement this chapter, specifically*
6 *including any forms, instructions, notices, rules, or guidelines that*
7 *specify the form and manner of any acceptable form of amnesty*
8 *application described in Section 19743.*

9 *(b) Chapter 3.5 (commencing with Section 11340) of Part 1 of*
10 *Division 3 of Title 2 of the Government Code shall not apply to*
11 *any standard, criterion, procedure, determination, rule, notice, or*
12 *guideline established or issued by the Franchise Tax Board*
13 *pursuant to this chapter.*

14 *19746. (a) The Franchise Tax Board shall conduct a public*
15 *outreach program and adequately publicize the tax amnesty so as*
16 *to maximize public awareness and to make taxpayers aware of tax*
17 *amnesty. In addition, the Franchise Tax Board shall make*
18 *taxpayers aware of the new and increased penalties associated*
19 *with taxpayer failure to participate in the tax amnesty.*

20 *(b) The Franchise Tax Board shall make reasonable efforts to*
21 *identify taxpayer liabilities and, to the extent practicable, shall*
22 *send written notice to taxpayers of their eligibility for the tax*
23 *amnesty. However, failure of the Franchise Tax Board to notify a*
24 *taxpayer of the existence or correct amount of a tax liability*
25 *eligible for amnesty shall not preclude the taxpayer from*
26 *participating in the tax amnesty, nor shall that failure be grounds*
27 *for abating the penalty imposed under Section 19137.*

28 *19747. Any taxpayer who has an existing installment payment*
29 *agreement under Section 19008 as of the start of the tax amnesty,*
30 *and who does not participate in the tax amnesty, may not be subject*
31 *to the penalty imposed under Section 19137 with respect to*
32 *amounts payable under that agreement.*

33 *SEC. 8. Section 24416.9 is added to the Revenue and Taxation*
34 *Code, to read:*

35 *24416.9. (a) Notwithstanding Sections 24416, 24416.1,*
36 *24416.2, 24416.4, 24416.5, 24416.6, and 24416.7 of this code and*
37 *Section 172 of the Internal Revenue Code, no net operating loss*
38 *deduction shall be allowed for any taxable year beginning on or*
39 *after January 1, 2008, and before January 1, 2010.*

1 (b) For any net operating loss or carryover of a net operating
2 loss for which a deduction is denied by subdivision (a), the
3 carryover period under Section 172 of the Internal Revenue Code
4 shall be extended as follows:

5 (1) By one year, for losses incurred in taxable years beginning
6 on or after January 1, 2008, and before January 1, 2009.

7 (2) By two years, for losses incurred in taxable years beginning
8 before January 1, 2008.

9 SEC. 9. Section 24416.10 is added to the Revenue and Taxation
10 Code, to read:

11 24416.10. Notwithstanding Sections 24416, 24416.1, 24416.2,
12 24416.4, 24416.5, 24416.6, and 24416.7 of this code and Section
13 172 of the Internal Revenue Code, any net operating loss
14 attributable to taxable years beginning on or after January 1,
15 2010, shall be a net operating loss carryover to each of the 20
16 taxable years following the year of the loss.

17 SEC. 10. This act is an urgency statute necessary for the
18 immediate preservation of the public peace, health, or safety within
19 the meaning of Article IV of the Constitution and shall go into
20 immediate effect. The facts constituting the necessity are:

21 In order to alleviate the current fiscal crisis, it is necessary that
22 this act go into immediate effect.

23 ~~SECTION 1. The Legislature finds and declares all of the~~
24 ~~following:~~

25 ~~(a) Section 1504 of the Fish and Game Code requires that~~
26 ~~payments be made to counties equal to any property taxes owed~~
27 ~~on property held by the Department of Fish and Game pursuant~~
28 ~~to Section 1504.~~

29 ~~(b) No payments have been made to counties pursuant to Section~~
30 ~~1504 of the Fish and Game Code since the 2001-02 fiscal year~~
31 ~~when a partial payment was made.~~

32 ~~(c) Counties are now owed approximately \$7,415,000 for the~~
33 ~~unpaid property taxes.~~

34 ~~(d) If this property were owned by a private party, a county~~
35 ~~could sell the property to recoup the unpaid property taxes.~~

36 ~~(e) Because the sale of this state-owned property is not an option~~
37 ~~for a county, the State of California should fulfill its statutory~~
38 ~~obligation and pay the current and owed moneys.~~

39 ~~(f) To that end, the Legislature further finds and declares that~~
40 ~~an appropriation is needed to meet the obligations of the~~

1 Department of Fish and Game incurred pursuant to Section 1504
2 of the Fish and Game Code since the 2001-02 fiscal year.

3 SEC. 2. The sum of seven million four hundred fifteen thousand
4 dollars (\$7,415,000) is hereby appropriated from the General Fund
5 to the Department of Fish and Game, to make payments to counties
6 for obligations incurred pursuant to Section 1504 of the Fish and
7 Game Code.

O